# GOVERNMENT OF INDIA
# COMMUNICATIONS AND INFORMATION TECHNOLOGY
# LOK SABHA

UNSTARRED QUESTION NO:7475
ANSWERED ON:15.05.2002
UNIVERSAL SERVICE OBLIGATORY FUND
PRAKASH V. PATIL

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

(a) whether the Government have finalized the quantum of the fund to Universal Service Obligation Fund;

(b) if so, the details of the sources of contribution to the USO Fund;

(c) whether various telecom service providers will contribute a share of their fees to this fund;

(d) if so, the details of the system by which the levy would operate;

(e) whether Government are considering alternate source to raise funds for the USO; and

(f) if so, details thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SIKDAR)

(a) Yes, Sir. An amount of Rs. 1805 crores has been provided for in the Budget Estimate of the Financial Year 2002-2003 towards Universal Service Fund.

(b) & (c) The Government have decided to apportion universal service levy @ 5% of Adjusted Gross Revenue (AGR).This levy is a part of the total license fee to be paid by various service providers such as Basic, Cellular, National and International Long Distance, Paging, Infrastructure Provider Category-II (IP-II), Very Small Aperture Terminal (VSAT).

(d) The funds created by the Universal Service levy shall be spent in rural and remote areas on both public access telephones or community telephones meant for public use and individual household telephones in net high-cost rural/remote areas. The implementation of USO will be divided into two clearly identifiable streams:

Stream 1: Provision of Public Telecom and Information Services. This includes:

a. Installation of VPTs in the remaining villages (over and above the villages identified as per the 1991 census).
b. Provision of additional rural community phones after achieving the target of one VPT in every village.
c. Replacement of VPTs installed before 01.04.2002.
d. Up gradation of VPTs to Public Telecom and Info Centers (PTICs).
e. Installation of High Speed PTICs (HPTICs).

Stream II: Provision of household telephones in Net High Cost areas (rural/remote).

Stream I will be given priority in respect of disbursement of funds over Stream II. The guidelines on the Universal Service Support Policy have already been issued.

(e) & (f) Presently, in the event of an increase in the requirement of Universal Service Obligation, the percentage of contribution towards Universal service Levy can be raised to meet such additional requirement but the added levy will be drawn out of the prevalent percentage of license fee, keeping the present ceiling of Universal Service Levy plus License Fee intact.